

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

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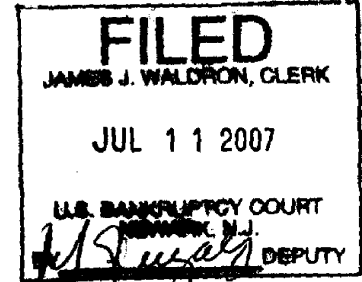
Attorneys Appearing:

Co-Counsel to the Debtors

In re:

G-I HOLDINGS INC., et al.,

Debtors.



In Proceedings for Reorganization Under Chapter 11

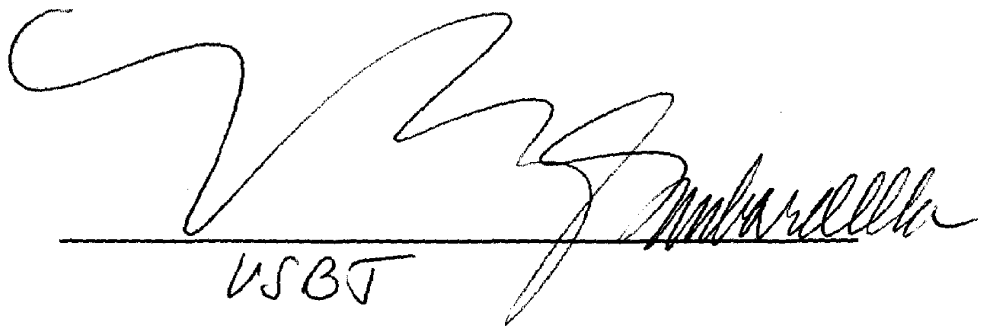
Hon. Rosemary Gambardella, Chief U.S.B.J.

Case Nos. 01-30135 (RG) and 01-38790 (RG)
(Jointly Administered)

**ORDER PURSUANT TO BANKRUPTCY RULE 9019(A) APPROVING
SETTLEMENT WITH KWELM AND THE BERMUDA FIRE & MARINE
INSURANCE COMPANY LIMITED IN LIQUIDATION**

Based upon the record in this matter, the relief set forth in paragraphs 1 to 5 on the following pages, numbered two (2) through three (3), is hereby **ORDERED**.

7-11-07


USBJ

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THE BERMUDA FIRE & MARINE INSURANCE COMPANY LIMITED IN LIQUIDATION

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THIS MATTER having been opened to the Court by Riker, Danzig, Scherer, Hyland & Perretti LLP and Weil, Gotshal & Manges LLP, co-counsel to the debtors and debtors-in-possession herein, G-I Holdings Inc. and ACI, Inc. (together, the "Debtors"), upon the Motion of G-I Holdings Inc. for an Order Pursuant to Bankruptcy Rule 9019(a) Approving Settlement with KWELM and the Bermuda Fire & Marine Insurance Company Limited in Liquidation submitted on September 6, 2006 (the "9019 Motion"); and the Court having reviewed the 9019 Motion and the Affidavit of Anthony Bartell in support of the 9019 Motion; and it appearing that:

(i) G-I, International Specialty Products Inc. ("ISP") and Building Materials Corporation of America ("BMCA") are policyholders (collectively, the "Policyholders") under various policies of excess insurance (the "London Market Policies") sold by Certain Underwriters at Lloyds, London and Certain London Market Insurance Companies (collectively, "London Market Insurers") to which certain insolvent insurers, KWELM¹ and The Bermuda Fire & Marine Insurance Company Limited ("BFMIC" and, together with KWELM, collectively the "Insolvent Insurers"), subscribed,

(ii) the Policyholders submitted claims in the Insolvent Insurers' insolvencies proceedings for the only three sites at which their covered environmental liabilities reached the London Market Policies to which the Insolvent Insurers subscribed; to wit, the Linden site in New Jersey, the LCP site in New Jersey, and the Picillo site in Rhode Island (the "Claims");

(iii) the Insolvent Insurers objected to the amount of the Claims and the Policyholders and the Insolvent Insurers entered into negotiations to fix the amount of the claims;

¹ KWELM is an acronym for the following five insolvent insurance companies: Kingscroft Insurance Company Limited, Walbrook Insurance Company Limited, El Paso Insurance Company Limited, Lime Street Insurance Company Limited and Mutual Re Insurance Company Limited.

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(iv) based on the facts set forth in the 9019 Motion and the Affidavit of Anthony Bartell in support of the 9019 Motion, the proposed allowed amount of the Claims in the Insolvent Insurers' insolvency proceedings (a) is fair and is above the lowest point in the range of reasonableness, (b) was negotiated in good faith and at arms-length, and (c) is in the best interest of the Debtor's bankruptcy estate;

and for good cause shown,

THE COURT ORDERS THAT:

1. The 9019 Motion be, and hereby is, APPROVED.
2. G-I be, and hereby is, AUTHORIZED to execute any documents necessary to resolve the Claims and release the Escrowed Settlement Amount (as defined in the 9019 Motion).
3. The Escrow Agent (as defined in the 9019 Motion) be, and hereby is, AUTHORIZED and DIRECTED to release to ISP any and all payments received from KWELM and BFMIC to the Escrow Account (as defined in the 9019 Motion).
4. The Insolvent Insurers be, and hereby are, AUTHORIZED and DIRECTED to make any further distribution on account of the Claims directly to ISP.
5. The Debtor's counsel be, and hereby is, DIRECTED to serve a true copy of this Order upon the United States, their counsel, if any, the Office of the United States Trustee and the Core Service List within seven (7) days after its receipt of an entered copy of this Order.

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6. This Order incorporates ~~the terms of~~ the Stipulation ~~attached hereto as Exhibit A~~ by and among G-I, the Committee, ISP, and the Legal Representative regarding the KWELM, Bryanston and Hartford 9019 Motions entered by the Court on July 11, 2007.

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9/6/06